

SALMON RECOVERY FUNDING BOARD

MINUTES – REGULAR MEETING

As Amended 7/18/05

June 9 & 10, 2005

Columbia Room
Olympia, Washington

Day 1

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle
Steve Tharinger	Clallam County
Brenda McMurray	Yakima
Larry Cassidy	Vancouver
Dick Wallace	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources
Mark Clark	Designee, Conservation Commission

CALL TO ORDER

Chair William Ruckelshaus opened the meeting at 9:41 a.m.

Director Laura Johnson suggested changes to the proposed agenda. The revised agenda was approved.

REVIEW AND APPROVAL OF PAST MEETING MINUTES

Steve Tharinger **MOVED** to approve the February 10, 2005 meeting minutes. **SECONDED** by Larry Cassidy. The February 2005 meeting minutes were **APPROVED** as presented.

Steve Tharinger **MOVED** to approve the April 14 and 15, 2005 meeting minutes. **SECONDED** by Brenda McMurray. The April 2005 meeting minutes were **APPROVED** as presented.

MANAGEMENT AND STATUS REPORTS

Director's Report

Director Johnson presented this agenda item.

- The Communications Management Report is provided in the notebook. (See item #2b for details.) Susan Zemek, Communications Manager, will be on maternity leave beginning June 13 and plans to return to work in September.
- The Interagency Committee for Outdoor Recreation (IAC) is beginning the process to change its name.

Larry Cassidy discussed the process the Northwest Power Planning Council used when they changed their name to Northwest Power and Conservation Council.

ADMINISTRATION SUBCOMMITTEE REPORT

Brenda McMurray, Mark Clark, Rollie Geppert, Marc Duboiski, and Neil Aaland presented this agenda item. (See notebook item #11 for details.)

Rollie provided a history of the subcommittee process, authority matrix, and recommendation on the unspent funds.

Brenda provided more information on the process recommendation for Board approval. A SRFB Amendment Request Authority Matrix was handed out to the Board for review.

Marc provided a few scenarios of projects the subcommittee has reviewed and what decisions were made on each of these projects.

Board Discussion:

Larry Cassidy noted that there has been an increase in costs and there should be a way to provide for these cost increases. One concern is the presumption that the money that has been allocated in a specific lead entity area is the lead entity's money.

Mark Clark agreed with Larry. The message we want to send is that this is about approved projects, not money. The Board approves the project lists. He believes there is a need to find incentives to get projects done in a timely manner and within the budget.

Brenda noted that built into the matrix is continuous communication with the project proponents and help throughout the life of the project.

Chair Ruckelshaus asked how the analysis fits with acquisitions.

Brenda responded that, when the subcommittee has had a problem with an acquisition, many times the alternative is a scope change and most of the time an alternate parcel has been found.

The Chair would like to make sure there is a balance between the ability to make changes to the projects and trust that the lead entities will do the right thing. He agrees with Larry and Mark that the money shouldn't be treated as if it is theirs.

Dick Wallace is in support of the committee recommendation and complimented Brenda and Mark on their work. He recommends not closing the door on incentives. One incentive to getting projects done on time is that they are required to justify to the director why the project is behind schedule.

Mark commented that there is a point where it is not just a cost increase due to the increased cost of materials, but due to not having the project scoped out completely in the beginning. He believes having a fund to cover cost increases is a good idea.

Director Johnson feels the ultimate incentive is that the money would go away if it wasn't spent within the time allocated.

The Chair's concern with the recommendation is that they are likely to build in costs to their project application if it becomes harder to get a cost increase. He wondered if costs are

being reviewed upfront to see if they are appropriate. If the process is approved today, is there a way to provide information on how the costs are being reviewed? He would like to look at the cost effectiveness issue at an upcoming meeting.

Mark noted that he had questions about whether it would be better to replace a culvert or add baffles and he would like the cost per fish for each option. He commented that a lot of culverts are being replaced and wonders if it is really necessary.

Chair Ruckelshaus believes we would need both the costs per fish and cost effectiveness to see if there is a less expensive way of doing the project. He is concerned that if we make the process too complicated no one will understand it.

Director Johnson pointed out that staff would be happy to bring information back to the Board on this and noted that this fits with the work that Bruce Crawford has been doing.

Brenda McMurray **MOVED** to adopt the recommendations as noted in the June 3, 2005, notebook memo and to implement them immediately. Steve Tharinger **SECONDED**. Motion **APPROVED**.

The Chair reminded staff to make sure the lead entities are aware of this change.

2005-07 BUDGET

Director Johnson introduced Mark Jarasitis as the Financial Manager at IAC.

Mark presented the Financial Services report and reviewed the Financial Management Services memorandum. (See notebook item #4 for details.)

Director Johnson noted that this financial report is the seventh of eight quarterly reports and the next report will have the end of biennium information. The re-appropriation has been approved and there will be further discussion during the budget report.

Budget Memo

Mark reviewed the 2005-07 budget presentation memorandum behind tab #4 in the Board notebook.

Dick Wallace would like the monitoring money, the funding going to the Conservation Commission for a pilot project, and the money for a PRISM upgrade to be coordinated.

Director Johnson noted that Bruce Crawford is now managing the monitoring, measurements, and technology for the office, which should ensure that there is coordination among all these efforts.

Director Johnson reported changes to the IAC side of the Washington Wildlife and Recreation Program (WWRP) that may have some impact on the SRFB efforts.

Dick suggested the strategic plan (SCORP) might be an opportunity for the SRFB to work with IAC to make sure the two Boards are complementary.

Director Johnson is not sure SCORP would meet that challenge. She noted that the goal is to make sure both Boards are coordinated, along with other agencies that aren't on either of the Boards.

Director Johnson provided an overview of spending authority versus actual money available. At the July meeting there will be a handout with the numbers, but at this time funding amounts are still in flux. She reported that staff is working with NOAA on the Memorandum of Understanding (MOU) details. SRFB has funding authority but the details are still being worked out for the actual award.

Director Johnson reported on the Pacific Coastal Salmon Recovery Fund (PCSRF) money and the concerns with putting money toward listed species. She also reported that Washington is ahead of the pack on performance measures and accountability issues. These continue to be issues staff needs to keep working on.

Chair Ruckelshaus feels this is indicative at the national level – they believe they are funding projects that are focused on endangered listed species. Unless the Board can show that they are funding projects to help the listed species, the money will dry up. Washington is doing a pretty good job with this, but the other PCSRF states have not been able to show as many results or focus on listed species.

Director Johnson then reviewed the funding amount. The federal money is \$25 million, but after earmarked funds, the net amount will be about \$15.8 million. State funds are about \$16.5 million plus a reappropriation amount of about \$3.2 million, for a total of about \$35.5 million for support for the regions, programmatic projects, and most importantly, on-the-ground projects.

Steve Tharinger noted that the real impact might not be on this round but the 7th Round. He asked whether the Board would need to look at a balance between the 6th and 7th Rounds.

The Chair replied that it depends on what the Board decides to do.

Tim Smith asked for clarity between the numbers in the memorandum and the numbers Director Johnson discussed.

Director Johnson noted that it is probably a coincidence that the numbers are close to the same. There is a difference between the credit limit and the actual amount.

LEAD ENTITY ADMINISTRATIVE FUNDING SUPPORT

This agenda item was presented by Jim Fox. (See notebook item #5 for details.)

Jim reviewed the history of administrative support for lead entities, which presently is administered through the Department of Fish and Wildlife (WDFW). The Board was provided \$3.25 million for lead entity administrative support. At least one lead entity has asked what the cost would be for IAC to run the program. WDFW will submit a proposal to the Board to continue administering the lead entity program. Their proposal will contain the following three options:

1. To provide the same level of staff support and services to lead entities as in the

current biennium. This will require the \$3,250,000 provided in the SRFB budget and an additional \$200,000 of SRFB funds.

2. To reduce the level of staff support to 1.35 FTE. This will require the \$3,250,000 provided in the SRFB budget and an additional \$72,000. Some services to lead entities may have to be scaled back, but all "deliverables" in the WDFW contract with IAC would still be provided.
3. To administer the program within the \$3,250,000 provided by the Legislature. This would require some reduction in support and services.

Chair Ruckelshaus asked if it is clear, statutorily, that the SRFB could administer this program.

Jim reported that SSB 5610 does give clear verbiage that the SRFB can administer the funds, but doesn't say who actually administers the program.

Jim provided a history of how these funds have been handled over the past grant cycles.

Brenda McMurray asked a question about SRFB staff providing assistance to the Lead Entity Advisory Group (LEAG) and whether the costs would come from the \$3.25 million.

Director Johnson reported that staff work with the lead entities and LEAG is just part of the day-to-day administrative costs for the office.

Brenda finds great value in having the WDFW involved with this process and she would not want to see this support lost. She would like to make sure we don't lose the connection and continued dialogue with WDFW.

Steve Tharinger agrees with Brenda's comments. He asked for clarification on what the additional \$200,000 would be used for.

Jim explained that the \$200,000 would maintain the program status quo without taking any away from the amount going to the lead entities.

Steve has heard from lead entities that they are doing a lot of work for very little money and would like to see how efficiencies could be made to be able to provide more funds to the lead entities.

Jim agrees that the Board is asking the lead entities to do a lot of work for little money and that funding is spread out over all 26 lead entities. A WDFW survey of lead entities identified needs for additional funding.

Chair Ruckelshaus agreed with Steve that more funds should be provided to the lead entities, but also noted the need to address funding for regional boards. Since this needs to be thoroughly researched, this may not be the time to make a change in administrative support.

Tim Smith discussed the first three years and how WDFW saw significant increases in support needs with a cap on how much administrative support was provided. WDFW decided that they wanted to dedicate two full-time support staff to provide administrative

support, so they pulled from other agency fund sources. Since those funding sources have been expended, they don't have the \$172,000 they have been using for this program.

There was discussion of option 2, which would mean a cut in one of the two positions and hiring temporaries to take care of the contracting. If the Board were to keep everything as is except the cut in staff, \$172,000 would need to be provided.

Public Testimony:

Jeff Breckel, Lower Columbia Fish Recovery Board (LCFRB), provided his thoughts on this proposal. He does not believe it is timely to be changing administrative support. The LCFRB gets excellent assistance from both the SRFB staff and the WDFW staff, but it is not the same kind of assistance. Jeff supports option 2. He believes it is a good idea to keep the WDFW engaged as it provides watershed stewards and lead entity support.

Steve Tharinger asked whether WDFW has been timely in getting the contracts in place. Jeff replied that it has been pretty positive in this area.

Chair Ruckelshaus noted that if the Board were to shift responsibilities from WDFW to IAC, it would take a lot of work and discussion through the lead entities.

Steve Tharinger made a **MOTION** to not make a change in administrative responsibilities. Brenda McMurray **SECONDED** the motion. The motion was **APPROVED**.

The Chair would also like the Board to decide which of the three options to approve.

Brenda prefers option 3 since it would not reduce the money to the lead entities. She would like to have additional information for discussion.

Steve is leaning toward option 2.

The Chair asked Tim Smith what the difference would be between options 2 and 3.

Tim responded that option 2 would reduce the level of staff support from 2 to 1.35 FTEs. Option 3 would reduce staff support to less than 1 FTE unless lead entity grants were reduced.

Director Johnson reviewed the options and explained that there is \$159,000 in the \$3.25 million for administration of the program.

Brenda isn't ready to discuss the staff level at this point but would like to keep the current \$159,000 for staff support and come back to this issue for further analysis. If it doesn't cause a break in funds to the lead entities, she's okay with either option 2 or 3.

Steve could also go with either option 2 or 3 and would need to come back for additional discussion concerning support.

Jim Fox noted that the lead entity coordinator position is vacant.

Brenda McMurray **MOVED** to adopt option 2 which would reduce the level of staff support to 1.35 FTEs, requiring the \$3,250,000 provided in the SRFB budget and an additional \$72,000. Steve **SECONDED** the motion. The motion was **APPROVED**.

REGIONAL RECOVERY BOARDS

This agenda item was presented by Chris Drivdahl, Governor's Salmon Recovery Office (GSRO), and Steve Martin, Snake River Salmon Recovery Board. (See notebook item #6 for details.)

Chris provided background on the regional recovery plans. Every regional organization is preparing a draft recovery plan that meets federal requirements.

Chair Ruckelshaus noted that the Shared Strategy has 14 chapters plus a nearshore element, which was truly a grassroots plan. Even though the plans are now done, that doesn't mean that we can just sit back.

Chris voiced the accomplishment that this recognizes and that, if you ask any of the regional recovery plan committee chairs, you would hear the same note of pride as shared by Chair Ruckelshaus.

The Board discussed the ramifications of these plans to local entities.

Chris made the following points concerning the regional recovery plans:

- This has been a massive effort and very inclusive with listings statewide. However, the Washington Coast and the northeast corner of the state are areas not covered by a recovery plan.
- It has been reported that Bob Lohn, NOAA Regional Director, has commented that this is the most comprehensive set of fish recovery information any place in the world.
- One unique quality of the plans is the ability for scientists to interact with the planners.
- Public outreach efforts have been critical to the success of the regional plans.

Steve Martin talked about the next six-month transition phase of the plan for the Snake River Region.

Purpose of Transition Period:

1. Revise plan to incorporate public, state, federal, and tribal comments.
2. Parking lot including threats criteria, spatial structure and genetic diversity criteria, NMFS modules, etc.
3. Finalize the implementation framework and work plan.
4. Complete an adoptable draft recovery plan for federal agencies' consideration.

Transition Duties of a Recovery Organization:

1. Communicate and interact with state and federal governments as the plan is revised.
2. Communicate and interact with local governments, tribes, and stakeholders as the plan is revised.
3. Represent the region as NMFS integrates regional plans across ESU boundaries with other recovery plans.

Jeff Breckel discussed implementation of the LCFRB plan. He reported that NOAA has published a federal register notice of its intention to adopt the LCFRB plan, with a public comment period closing on June 20, 2005.

Jeff explained how the recovery plans are living documents. Now that the plans are completed, they will be moving on to a more challenging task of making recovery a reality, which requires a lot of commitment.

Request for Transition Funding

Jay Watson (Hood Canal Coordinating Council), Jim Kramer (Puget Sound Shared Strategy), and Joel Freudenthal (Yakima Sub-basin Fish and Wildlife Planning Board), presented this portion of the agenda item.

Transition items include:

1. Actions to modify the recovery plan as needed to address requirements for plan adoption by the federal government under the ESA.
2. Initial work with local governments to prepare for implementation.
3. Public outreach.
4. Time and process to support discussions and decisions for establishing organizational structures and setting up regional activities needed to coordinate implementation of the proposed recovery plan (i.e. monitoring data management, et. al.)
5. Development of an 18-month detailed schedule and cost estimates for implementing actions contained in the proposed recovery plan.

The funding requests are as follows:

• Snake	\$178,760
• Upper Columbia	\$293,750
• Yakima	\$240,000
• Hood Canal	\$149,500
• Puget Sound	<u>\$552,705</u>
Total	\$1,414,715

Brenda McMurray asked why there would be different requirements for the different regions.

Chris reported that the regional boards have been set up with different needs.

Brenda believes we are at the stage where the information needs to be consistent and that this transition time is the time to tighten up the differences.

Chair Ruckelshaus would like an outline and analysis of what tasks we need to do to implement these plans.

- Who is doing what now?
- Is there authority to do what is needed and how is it being carried out?
- What are the inhibitors to carrying out the plans?
- Are there things that aren't being done and who should do it?
- What is the role of the regional boards? (Will differ for each of the regions.)

Jim Kramer discussed how the Shared Strategy works and the need to continue to work for funding sources and develop new skills of lobbying and fundraising that they haven't needed in the past.

Chris noted that today's request is just to transition to the next phase, it is not anointing them to be the groups that will continue the regional recovery efforts.

Dick Wallace discussed the need for rightsizing and identifying funding so that there is less dependency on the state funding and more local support.

Steve Tharinger believes we need to answer the question on who's responsible for implementation.

Joel noted another task for the regional boards is to expand the range of possibilities to make things easier to get things done. The regional boards need to find out what's possible.

Brenda offered congratulations to all the regions on the work they have done and she is looking forward to hearing the review from NOAA Fisheries.

The Chair also offered his congratulations and thanks for all their hard work. He noted that the regional boards want to come back to the SRFB in October to provide their plans and the Board needs to come to an understanding of what its responsibility will be before the Legislature.

Jim Kramer feels it's easy to say what the regional boards are responsible for, but he believes what the Board is really asking is, what needs to happen to get successful recovery and where do the regional groups fit in?

Chris reported that today's request is in two parts:

1. Funding for transition costs plus 2% for negotiating five regions for July through December, 2005, and
2. Implementation funding for Lower Columbia for July through December, 2005.

This would bring all the regions into synchronization for implementation funding beginning January, 2006, through the end of the biennium.

Steve Tharinger made a **MOTION** to approve transition funding plus a 2% adjustment amount. Larry Cassidy **SECONDED** the motion. Board **APPROVED**.

Steve Tharinger made a **MOTION** to approve implementation funding for the Lower Columbia. Larry Cassidy **SECONDED** the motion. Board **APPROVED**.

MULTI-LEAD ENTITY ASSESSMENT PROJECTS

Jim Fox presented this agenda item. (See notebook item #3 for details.)

Jim provided background on the six eligible multiple lead entity project proposals that have previously come before the Board for funding. Two of the projects that ranked #3 and #4 have received approval for funding. The Board deferred decisions on the remaining

proposals following extensive discussion at the January, February, and April SRFB meetings. Staff recommends the Board take action today to establish its preferred process for final resolution of these pending requests.

Staff proposes the following three options:

1. Decline the remaining requests; or
2. Consider the remaining requests with a scaled-down marine nearshore request; or
3. Consider projects 5 and 6 and hold for possible funding of future nearshore requests.

Kevin Ranker, San Juan County Commissioner, and Ginny Broadhurst, NW Straits Commission, presented the new combined proposal for the Northwest Salmon Beaches project. They explained how this project changed from the earlier two separate projects into one less expensive project which now includes Clallam, San Juan, and Island Counties. They also dramatically scaled down the project by removing the policy component. Budget request was decreased from \$1.4 million to \$533,409.

Chair Ruckelshaus asked what gaps will remain after this effort is made. Ginny responded that this is a good question, but they probably aren't the right ones to answer this.

The Chair noted that it is hard for him to understand the area covered without a map and wonders what the data from this effort will demonstrate.

Kevin stated that a final product of this proposal would be a data compilation component for the entire region with GIS mapping, providing resource managers and data coordinators the data they need.

What is frustrating for the Chair is not having knowledge of what is useful for understanding what is needed to help salmon.

Ginny understands that salmon are pretty well mapped on their travels in freshwater but not in the saltwater environment.

The Chair agrees but asked whether that is more important to fund or is it more important to fund eelgrass and juvenile migration? That is what he is asking for in a plan – to know what is needed and what is most critical to get.

Dick Wallace asked if the detailed budget of \$15,000 for a nearshore science workshop would help answer the Chair's question.

Kevin replied that yes, this was planned for July but is being moved back, depending on today's decision.

Tim Smith commented that this revised proposal feels dramatically better to him, not just because it is cheaper but because it clarifies the scope of the project, although it still doesn't tell us what we don't have. Two questions he would ask are where's the data, and is there a step that will look at identifying who else is doing this type of work and where the data is?

Kevin explained that the data would end up with each of the partners in a database. For the second question, they have started compiling this information and the hope is to pull this information together into one place.

Jim Fox reported that the Board has funded nearshore assessments at a smaller scope and, at the lead entity level, this type of project is eligible. If there is concern with funding this type of project then the Board needs to look at its general policy.

The Chair asked if a map exists with what we know about nearshore information. Kevin answered that what they have is a fairly comprehensive list of existing databases, but due to lack of funds it isn't digitized yet.

Steve Tharinger asked if there was time sensitivity for funding this proposal.

Kevin replied that the information needs to be gathered in the fall and the volunteers will need to be trained before that, so they need to get started soon.

There was discussion on the need to consolidate the data and get it compiled all in one location. Board members would like to see this as part of the agreement.

Steve Tharinger **MOVED** to support Option B and to fund as requested. Brenda McMurray **SECONDED** the motion.

Board Discussion:

Chair Ruckelshaus is sympathetic to what this project is trying to do but he is concerned with funding projects that we aren't sure are the right projects. He is also concerned with all the datasets that are out there without any connection to each other. He feels strongly about the need for a research plan.

Brenda is concerned about the eligibility of this type of project in light of the information from Jim Fox. She wonders if the Board should provide funds to answer these questions.

The Chair noted that we have made that offer to NOAA and they are starting to work on this effort.

Steve Tharinger understands the Chair's concern, but suggests we take a leap of faith that the groups involved in this project know that this information is needed. He would like to see this motion pass.

Brenda maintains her second to the motion on the table as the Board asked for a multi-lead entity assessment and this was identified as a high priority.

Larry Cassidy noted that, as the swing vote, he is going to have to vote against the motion. He does not work in a vacuum in respect to these issues, as he is a part of the Pacific Ocean Shelf Tracking Committee doing this type of work. He believes that there are conditions under which he would support this proposal and perhaps the proponents will have a better idea of how to develop their plan in light of today's discussion.

The Chair explained that the proposal has been moved and seconded and there is a split vote with Brenda and Steve voting for funding and Larry and Chair Ruckelshaus voting against. The Board was asked to make a clear decision today and, until he feels the questions are answered with clarity and the proposal fits into the whole picture of salmon recovery, the Chair would not be inclined to give his approval for funding.

Steve understands Larry's answer and believes there is still option C that might get to where we would like to go. But he has two questions: Is the proponent able to wait this long and is NOAA going to have a workshop?

Director Johnson noted that NOAA's workshop is scheduled to begin in early August.

The Chair suggested posing these question to NOAA at their workshop:

1. How important is the knowledge of juvenile salmon in the nearshore of Puget Sound for purposes of better understanding the life-cycle of salmon?
2. If important, can they recommend a research agenda that would make sense for us to fund getting the information?
3. Is there a way to have the data in a useable format in one place?

Kevin commented that sometimes things get studied to death and he is afraid that it might take NOAA years to get to the answers.

The Chair stated that the SRFB does fund action items and this is a study. A criteria for funding assessments is that they need to lead to projects, but he doesn't see where this leads to a project.

Brenda noted that we have been funding projects and assessments all along and there have been gaps. If we wait for NOAA to get all the answers for us, then we could wait forever. She still believes we should fund this project and rely on local folks to say what the priority is.

Kevin feels they don't have time or resources to continue with this process. He believes there will be individual assessment projects coming to the Board in September and they will not be coordinated.

Jim Fox reported that, over the history of this Board, more than 60 assessment projects have been funded, mostly in freshwater. Staff is looking internally to find ways to show the data gathered through these efforts.

Ginny commented that, regarding scientific consensus, they have WDFW, Elwha Tribe, Tulalip Tribe, NW Straits Commission, Surfrider Foundation, and NOAA Fisheries involved and all agree that this is a very high scientific priority.

There being no majority, the motion on support for option B was **NOT PASSED**.

Jim Fox then brought forward projects #5 and #6 for decision:

- #5 – Project #04-1892 Snohomish County River Restoration Assessment
- #6 – Project #04-1898 University of Washington Assessment of Riverine Salmonid Habitat Change

Chair Ruckelshaus is familiar with project #5 and knows there is a concern with this project. He would like staff to go back and find out what the issue is and see what can be done to help resolve the problem.

Director Johnson noted that staff is aware of the issue and is not sure the assessment would cause any change in the project. It needs more work and may not belong on this list of multiple lead entity projects.

There was no motion to fund project #5 so therefore it was not funded.

Steve Tharinger asked about staff's recommendation concerning project #6.

The Chair asked for a reminder on how the projects were ranked. Jim Fox provided an overview of the assessment project review and how they were ranked.

There was no motion to fund project #6 so therefore it was not funded.

Brenda asked for staff to come back in July with details on how the assessments will be reviewed and what the parameters will be on how projects are funded.

Director Johnson noted that at tomorrow's meeting, in the final adoption of the Board policies, if the Board does not want to fund assessments then they could remove them as an option.

Jim has heard the questions raised today from other fund sources and staff may be able to get a group together to work on answers to these questions.

At this time, Chair Ruckelshaus had to leave the meeting. Larry Cassidy took over as Chair for the remainder of the meeting.

Director Johnson noted that Jim Peters will be attending tomorrow's meeting and that he has been elected as Chair of the Squaxin Tribe.

FAMILY FOREST FISH PASSAGE PROGRAM (FFFPP)

This agenda item was presented by Brian Abbott, Mary McDonald (Small Forest Landowner office), Sherry Fox (Washington Family Forest Association), David Whipple and Brett DeMond (WDFW), and Scott Potter (DNR).

Mary provided an overview of the Family Forest Fish Passage Program (FFFPP).

David provided the budget and funding background on this program. For the current biennium, the program has funded 63 projects and will be out of funds at the end of the biennium. Lead entities have worked closely with this program. All three agencies involved in this program are in favor of this budget proposal. He clarified that this is not a request directly of SRFB money, but a request to have the Board authorize the use of part of the \$4.15 million appropriation from the Legislature.

Chair Cassidy asked for clarification on the request.

Director Johnson reviewed the request to approve the general spending request and then come back for final approval at the July meeting. The exact numbers need to be clarified with staff.

Tim Smith asked who has to agree what those numbers need to be.

Director Johnson replied that it would probably include core management such as Tim Smith, Craig Partridge, and herself, at the least, to make a decision on the amount. More clarification is needed before coming back to the Board with a request as there potentially is a need to seek consultants.

Tim asked about how much money is passed through to the landowners. David provided a general overview of the process and where the funding goes.

Craig wanted to express how pleased everyone is with this program. He is feeling very good about the project. He was concerned with the overhead on the proposal as it looks like it went from 5% to 12%, which appears to be a big increase. DNR provides the support for this program from its base budget. He is feeling a bit conflicted by the increase and the need for additional support.

David explained that only the engineering work would be contracted out and only if it is not available through the agency.

Brenda McMurray feels the beauty of this program was its simplicity and she would hate to see that lost.

Craig would feel more comfortable in leaving this all on the table for a later decision.

Steve Tharinger commented that, in his recollection, it seems like last year the Legislature put a 5% cap on the funds. He suggested putting a 6% cap on the funds for administration and having IAC staff figure out what they need.

Craig and Brenda both agreed with Steve's suggestion.

Chair Cassidy would prefer to wait for the cap amount until staff comes back with a proposal at the July meeting.

Sherry Fox appreciates the comments and stated that simplicity is the number one goal of this program. She feels staffing is needed to assist with getting the \$4 million on the ground.

Tim Smith stated that he had interpreted Steve's proposal as the cap amount.

Steve restated his proposal of 2-5% for administrative costs and suggested giving staff guidelines for administrative costs to be between 6-8%.

Craig would not delay conceptual approval, but work with 2-5% to get final approval.

Chair Cassidy doesn't feel he can identify a cap today. He would like to approve the

\$4,150,000 with the understanding that the three items will be evaluated between now and the July meeting to see if the amounts could be reduced.

Brenda is okay with the 6-8% but would like most of the dollars to be used on the ground.

Chair Cassidy prefers to give the program the flexibility to figure out the best way to spend this money.

Craig agrees and would like to keep the program going and not hold the funding hostage.

Director Johnson believes the numbers will come very close and does not expect to see much change. Staff will provide clarification on how the funds are used.

Steve Tharinger made a **MOTION** to approve the total pass through of \$4.15 million to the FFFPP with the understanding that staff will work to keep administrative costs to a minimum. Brenda McMurray **SECONDED** the motion. Motion **APPROVED**.

Meeting recessed for the evening at 5:38 p.m.

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

June 9 & 10, 2005

Columbia Room, Legislative Bldg.
Olympia, Washington

Day 2

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle
Steve Tharinger	Clallam County
Brenda McMurray	Yakima
Jim Peters	Olympia
Dick Wallace	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources
Stu Trefry	Designee, Conservation Commission

Day 2 – The meeting was reconvened at 8:32 a.m. by Chair William Ruckelshaus.

PROJECT DIVISION REPORT

Neil Aaland presented this agenda item. (See notebook item #8 for details.)

Marc Duboiski provided a PowerPoint presentation on the following projects:

- 02-1494 Coleman Creek Fish Access
- 00-1878, 01-1222, 02-1467- San Juan Islands Habitat Assessments
- 01-1340 Nooksack Estuary Habitat Assessment
- 02-1620 Minkler Lake Acquisition

Marc discussed the San Juan Islands Habitat Assessment projects and the reasons for having three different assessments. He explained why all the information couldn't be gathered at the same time and what it will be used for.

LEAD ENTITY ADVISORY GROUP (LEAG) REPORT

Doug Osterman provided the LEAG report. (See notebook item #9 for details.)

Doug reviewed the LEAG memo in the notebook and noted that the correct date for the last meeting was May 16, 2005, not 2004. The next LEAG meeting is scheduled for June 29, 2005, at which time they plan to finalize the LEAG program review report.

Dick Wallace asked if it is a good time to have an evaluation process.

Doug replied that there needs to be more input, but it would be difficult this year due to the regional planning process.

Dick feels that this would be a good time for the evaluation because of the interaction between lead entities and regions.

Chair Ruckelshaus feels that until there is some decision made and if the Board is asked to fund the implementation of the regions, then the Board needs to understand the role of both lead entities and regions.

SIXTH ROUND

Neil Aaland, Rollie Geppert, and Steve Leider presented this agenda item. (See notebook item #10 for details.)

Review Panel

Neil and Steve presented the list of Review Panel members. Steve noted that all but two are returning members. An orientation meeting was held on May 25 with a lot of questions and good discussion on differences and similarities between this round and those of past years.

The Chair's two major questions are centered around how to handle areas not in a recovery area and how to evaluate the projects.

Neil noted that part of today's presentation would be a summary of the meeting held with the lead entity coordinators who are not in the recovery planning areas.

Steve Leider reported that he, Rollie, and Jim Fox have met with the three Technical Recovery Teams (TRT's) operating in Washington State and discussed their process and how to relate that to the SRFB process. They will continue to work with these groups to see how this information can be coordinated.

The Chair noted that how to evaluate the regional plans and strategies is a controversial issue that needs to be worked out.

Steve Leider commented that in areas where there are recovery plans, the quality of the strategy won't be evaluated. The strategy will be used in areas that are not in a recovery area.

The Chair noted that TRT's have reviewed the science of the plans but not the realism of the plans.

Steve Leider believes there may be other groups that need to be consulted on the recovery plans besides the TRT's. He is encouraged that the TRT's are willing to consult with us on this process.

Tim Smith noted that in the past Jeff Dillon has been part of the panel to represent the nearshore aspect of the process. He wonders if there is someone who will take that role this year and how this person would be involved with the process.

Rollie replied that Paul Schlenger is covering the nearshore, although they are still holding the option of bringing Jeff Dillon into the process, depending on the number of nearshore proposals.

Funding Allocation

Doug Osterman joined the panel for this portion of the presentation.

Neil reviewed the past allocation formula and provided the staff assumptions and recommendations for the formula to use this year.

Staff had heard from the Board that they would prefer a 25% first increment where LEAG would prefer to have a 35% first increment.

The Board discussed evaluation and linkages needed for this year's review process.

A decision on funding is needed for July. At today's meeting, staff is only asking for guidance.

Steve Tharinger is comfortable using the same formula as last year with the 35% first increment.

Tim Smith reported that WDFW is also in agreement with the 35%.

Brenda McMurray noted that in getting to the 35%, currently 8% is for listed species and she is wondering if that should be increased due to the federal funding. She also feels we would not have the 2% for regional planning areas since most of the state is now under regional planning efforts.

The Chair voiced some concern on how to decide what the percentage should be for non-listed species and how much this should be highlighted. He would still like to support a healthy stock, but Congress is more focused on the listed species because they are not aware of the details.

Brenda feels a 25% first increment would be a good way to go due to the experimental aspects of this round in using regional recovery plans.

Craig Partridge feels that where we set the first increment depends on how we prioritize the second increment. As in the last cycle, the second increment was pretty equally divided and the Board hasn't reached a comfort level in being able to prioritize the lead entities. He would be inclined to go with the 35% first increment.

Dick Wallace supports the 25% first increment. We need to be moving more toward performance measures for the SRFB funds until we get to a confidence to be able to judge quality of the projects. He believes there is also reluctance to make these judgments.

Tim Smith doesn't see the tension and views the first increment as a long-term investment and the second increment as short-term. Success of this effort over time is the ability to establish a local infrastructure in every watershed for continued success.

Public Testimony:

Jeff Breckel, LCFRB, offered observations on quality of strategies. The recovery planning process in each region is fundamentally different as is the relationship between recovery planning processes and TRT's. Lower Columbia has had the TRT review (science), NOAA's review (both science and policy), and state agencies, SRFB, and other entities review and

comment on their plan. Why would the Board want to go back and do another level of review when these plans have been thoroughly reviewed already?

Chair Ruckelshaus asked Jeff how he would suggest the review panel evaluate the fit to list.

Jeff responded that it should be consistent with the recovery plan. The Board should continue to make sure it is confident that the list from the lead entity is consistent with the recovery plan priorities.

Brenda wanted to make sure she understood Jeff's comment on review of strategy. The Board did not evaluate the strategy. They evaluated the fit of the list to what was identified in the strategy, but didn't evaluate the quality of the strategy.

Jeff believes there were a number of parameters the review panel did look at for strategies that were identified as excellent, good, or poor.

Brenda noted that the Board did not get this information from the review panel.

Jeff had another comment on the first increment – SB 5610 says the Board would allocate by recovery region. He clearly supports 35% and promotes 50%.

John Sims, Quinault Indian Nation WRIA 21 Lead Entity, supports the 35% and does not believe the Board should go back on that amount, as a matter of morale. He wonders what the Board will do when all the strategies/recovery plans are excellent, as we should get to that point some time down the line. John suggested the Board begin discussion and review of the process for Round 7 right away.

Director Johnson reported that staff is planning to start the 7th Round discussion in July, 2005.

John feels the review process seemed to work well last year. He doesn't have any listed stocks and although he has "healthy" stocks, they really are healthy in the historical sense so he promotes not letting them get to the listed stage. He doesn't want to get lost in the ESA process.

The Chair isn't concerned with all the strategies reaching the excellent stage – he actually is looking forward to getting to that point.

Manual 18 and 18b Approval

Neil Aaland, Steve Leider, and Rollie Geppert presented this portion of the agenda.

Rollie commented on an amendment of the Puget Sound Marine Nearshore project review that was distributed to the Board. In the past, PSNERP was used to review the projects. This year they are proposing to have the review panel do this review with at least one panel member having expertise in the nearshore process.

Steve Leider reported that all lead entities would be asked to respond to the Template for Lead Entity Strategy Summary Information on page 23 of Manual 18. Appendix D will be

used for a lead entity within a recovery plan where Appendix E will be used in areas not covered by a recovery plan.

Steve Leider reviewed the process last year and the proposed review panel process for this grant round.

Chair Ruckelshaus would like to simplify the ability for the Board to make judgment and would like to have the information that is provided to the review panel but in a summarized format.

Director Johnson believes that the manual as it is written tries to get to that process for the Board. Staff's goal is to process the data and provide the Board with the information needed to make a judgment.

Steve Tharinger noted that it seems like we've been in the transition period for a long time. We need to make decisions as a Board in January using a quantitative matrix of information, much like we've used in the past. The application form is very complicated, but that is due to federal and state requirements.

The Chair believes the review is a good thing. It takes the material and puts it together in a way that is useful to the Board.

Brenda McMurray wanted to make sure there is the ability for the lead entity to address unlisted species that are a priority in their watershed.

Director Johnson noted that in the final version, we could add the ability for lead entities to comment.

Director Johnson reviewed what is in the manual and how it needs to be adopted in an open public meeting. The manual clarifies application due date, eligible items, and the process used, but there are no significant process changes. It is still silent on a few items, such as the final allocation process. The Board has meetings in July and October where the Board can further clarify issues and make final decisions on allocation process and other issues that are currently silent.

Brenda has some concern about marine nearshore projects and is hesitant to approve these projects if the Board continues to have uncertainty with the overall science agenda. She doesn't want to see the lead entities go through the process and then have concerns in the end.

Director Johnson recommended waiting until July to adopt the final eligible/ineligible list. Another item that needs to be adopted in July is the matter of eligible match. IAC is working on policy guidance and that portion should be available in July. She also suggested that staff come back with clarification language on the nearshore projects.

Steve Tharinger asked when the financial sideboards would be posted. Director Johnson reported that staff will provide this information in July, but the Board will need to have a discussion on what will be available in the 6th and 7th Rounds and what should go to other activities.

Brenda McMurray **MOVED** to approve Manual 18.

Craig asked about the eligibility of small forest landowners.

Director Johnson noted that the plan is to use the FFFPP definition, which will need to be included in the manual.

Steve Tharinger asked if that definition could be expanded for the Board's process.

Jim Peters suggested staying with the FFFPP recommendation.

Dick Wallace agreed with Jim Peters. Although the Board could change the definition, he would not suggest that in this round.

Jim Peters **SECONDED** the motion. Motion **APPROVED**.

Neil Aaland provided an overview of the meeting that was held with the lead entities who are not presently in a recovery region. He reported that the group went over the Board's direction on how to review the quality of strategies and how they will be used to allocate funds. There was general agreement from the lead entities that it was appropriate to review the strategies, however they were reluctant to be given direction for major changes in this round due to time constraints. There was also some discussion about lead entities who are half in and half out of recovery regions.

Chair Ruckelshaus believes there will probably be disagreements in some watersheds where their plan is in the process of being developed and will need to sort them out on a case-by-case basis.

Neil reported that staff would be having more discussions with the lead entities and prepare a summary of this information for the Board at the July meeting.

LIMITING FACTORS ANALYSIS (LFA) ROLL-UP

Carol Smith, Conservation Commission, presented this agenda item. (See notebook item #12 and handout for more detail.)

In 2003, the SRFB funded this project to combine the information from the 45 separate LFAs into one statewide report. This information was used in the 2004 State of Salmon Report.

Upon completion of the LFA report, Carol presented a PowerPoint proposal for funding a coastal LFA re-evaluation in 2006.

Public Testimony:

Selinda Barkuis, North Olympic Peninsula Lead Entity (NOPE), supports the Conservation Commission's request. From NOPE's perspective, this information is needed and would be used.

Stu Trefry provided a handout outlining the coastal LFA request and budget for this proposal.

Brenda McMurray asked if there has been scientific review of the LFA rollup report. Carol reported that it is out for review.

Chair Ruckelshaus asked about the relationship between this coastal LFA information and the information requested by the Governor's Forum on Monitoring.

Director Johnson noted that there are two items here. One item is the final rollup report from this project that the Board funded and the second is any follow-up which would need more staff work, as today is the first time staff have seen the coastal request. As of June 30, funding for LFA will come to an end.

Jim Peters believes this is a good rollup report and discussed the limited information in some areas. He does feel this is a good thing to continue with, but would like to know where this data is being kept.

The Chair believes the best process would be to have staff review this new coastal LFA request with the Monitoring Forum and find a way to coordinate the data.

Brenda asked for a report on what local entities have used the past LFA for and what is being done with new data.

Director Johnson reported that staff has talked about doing an assessment of assessments.

Selinda stated that, in response to the comment on having the lead entities take on the update of coastal LFA, she doesn't have the time or resources to do it.

WATERSHED HEALTH AND SALMON RECOVERY MONITORING

Bruce Crawford presented this agenda item.

Bruce reported that, at this time, the Department of Ecology wasn't ready to present the framework for habitat and water quality status and trend monitoring. Some progress has been made and he is confident it will be ready for the July meeting.

Bruce reminded the Board that it is accountable to NOAA Fisheries for performance measures and targets. As the Board looks at assessment projects, such as LFA, it should be asking what is the sum total of the assessment information. Bruce suggested making it a requirement in the application instructions that each lead entity should report not only what has been accomplished, but also how much still needs to be done in each habitat category. At this time we are not able to supply this information to NOAA.

Chair Ruckelshaus wondered who has done this survey work in the past.

Bruce is expecting to be able to download project information from the BPA database (Pisces) by December, 2005, and to see what is out there.

The Chair noted that, as these plans are developing, we would need to sort out who is

accountable for what. He cautioned the Board to be careful not to take on everything that hasn't been done yet, but continue to do our part.

Bruce reported that he has done site visits to three of the Intensively Monitored Watershed (IMW) projects and noted that the work is being done and projects are progressing. One thing Bruce didn't see in the Round 6 application process is the need for clustering projects.

PARTNERSHIP REPORTS

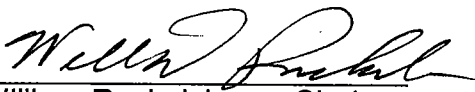
Tim Smith reported that:

- WDFW, with the Governor's Office of Regulatory Assistance and the Department of Ecology, has just released a report called "Mitigation Optimization". The Department is excited about the report and its approach. He will be sure that Board members receive a copy of the report.
- Per the Board's direction, WDFW requested funds from the Legislature to restore the smolt monitoring program. The Legislature appropriated \$200,000 for the biennium, leaving a shortfall of \$300,000. They are planning to bring this back to the Board and also to the Monitoring Forum.
- WDFW is about to release the "Lands Vision 2020" report. This report could be of benefit to lead entities and also the SRFB for reviewing acquisition projects. He would be happy to brief the Board at a future meeting and will provide copies to members.
- By the July meeting, he will have the final report on lead entity review product. This will be distributed to the Board.

Stu Trefry handed out the latest Conservation Commission newsletter.

The June 2005 meeting was adjourned at 1:03 p.m.

SRFB APPROVAL:


William Ruckelshaus, Chair

7/18/05
Date

Future Meetings: July 18, 2005 – NRB Room #172, Olympia
October 27 & 28, 2005 – TBD